

## 6.0 Airport Capital Program

The Airport Capital Program provides funding for planning and engineering projects that focus on airport facility development. In general, these projects include master plan and airport layout plan studies, environmental studies, land acquisition, airside facility design and construction, and terminal building design and construction.

It is the intent of the Virginia Aviation Board that sponsors properly plan for airport development. Long-range planning, typically for a 20-year horizon, is conducted through the development of airport master and layout plans. Planning for the near term is guided by the six-year Airport Capital Improvement Plan (ACIP) that identifies and prioritizes projects for facility development. This tool phases proposed projects over a six-year period and provides cost estimates, anticipated sources of funding, and justifications for project implementation. The projects listed in the six-year ACIP must be included on the airport layout plan and meet federal and state regulatory requirements.

The VAB requires an airport sponsor to have a current six-year ACIP on file with DOAV in order to be eligible to receive state discretionary funds. The information contained in these plans is important to the development and maintenance of a strong statewide airport system as the plans:

- establish an accurate assessment of Virginia's airport needs
- provide DOAV with specific information to use in developing an accurate and comprehensive six-year budgetary program
- assist DOAV in leveraging maximum federal funding for eligible sponsors and projects
- provide the VAB with specific requests for state funding

Normally, sponsors undertake six-year ACIP coordination during the third and fourth quarters of each fiscal year. Prior to the preparation of an ACIP, sponsors should hold a capital improvement planning meeting simultaneously with both DOAV and FAA, as appropriate. Airport sponsors may update their ACIP at anytime through Airport IQ. The VAB considers the majority of the eligible project requests during its first meeting of the fiscal year. Project requests may also be funded at subsequent VAB meetings during the fiscal year.

Air carrier airport sponsors who will not be requesting state discretionary funds do not need to file a six-year ACIP. However, these sponsors must have a six-year ACIP on file with DOAV in order to be eligible to receive state discretionary funds.

### 6.1 Project Eligibility

A wide range of development projects is eligible for the Airport Capital Program. Table 2 Examples of Eligible Airport Capital Projects lists many of the eligible projects, divided into general categories for reference. Details on specific projects

are provided in Appendix A Airport Capital Program Eligible Project Examples, information on terminal buildings is provided in Appendix B Terminal Buildings, and information on access and perimeter roads is provided in Appendix C Access Roads.

Table 2  
Examples of Eligible Airport Capital Projects

General Category	Specific Projects
planning studies	<ul style="list-style-type: none"> <li>• master plans</li> <li>• airport layout plans</li> </ul>
environmental studies	<ul style="list-style-type: none"> <li>• environmental assessments</li> <li>• wetlands delineations</li> <li>• environmental due diligence audits</li> </ul>
land acquisition	<ul style="list-style-type: none"> <li>• appraisals</li> <li>• negotiation services</li> <li>• fee simple purchase and easements</li> <li>• administrative and legal costs</li> </ul>
design and construction of airside facilities	<ul style="list-style-type: none"> <li>• grading, paving, and drainage for public-use, non-revenue producing facilities</li> <li>• clearing and grubbing for construction, obstruction removal, and equipment installation</li> <li>• airport rescue and fire fighting buildings</li> <li>• utilities for public-use facilities</li> <li>• maintenance equipment storage buildings</li> <li>• site preparation for hangar construction</li> <li>• construction, installation, and removal activities for fuel storage systems</li> </ul>
design and construction of landside facilities	<ul style="list-style-type: none"> <li>• grading, paving, and drainage for public-use, non-revenue producing facilities</li> <li>• access roads</li> <li>• relocation of non-airport related facilities</li> </ul>
terminal buildings	<ul style="list-style-type: none"> <li>• conceptual studies</li> <li>• design</li> <li>• construction</li> </ul>

Projects that are revenue producing or will develop facilities for exclusive use by airport management or tenants are not eligible for the Airport Capital Program. Examples of ineligible projects include but are not limited to:

- exclusive use hangars
- restaurants and cocktail lounges
- concessionaire facilities
- airline ticketing areas
- baggage handling areas, except those that are not revenue producing such as areas used by the Transportation Security Administration (TSA)
- airport management offices
- day facilities for sleeping accommodations
- office space and air traffic control facilities for lease to the Federal Aviation Administration, TSA, or a fixed base operator (FBO)

In addition, projects related to facilities and equipment, general aviation security, maintenance, promotion, and air service development are not considered to be Airport Capital Program projects, as these programs are funded through the Aviation Special Fund. Sponsors should not list these projects as part of a six-year ACIP.

## **6.2 State Participation**

Due to the limited availability of public funds and in an attempt to make funding available to as many sponsors as possible, the VAB has placed a limit on the total dollar amount of allocations an airport sponsor may receive in each fiscal year. No single airport sponsor may receive allocations totaling more than 25 percent of a current fiscal year's adjusted resources as determined by DOAV. After January 1, this funding limit is removed.

### **6.2.1 State Entitlement Funds**

State entitlement funds can be used for any eligible project under the Airport Capital Program. Air carrier airports may use their state entitlement funds to cover 100 percent of the non-federal share of federal projects. This provision applies only to federally funded projects where state entitlement funds will be used solely to fund the entire non-federal amount. If state discretionary funds are combined with state entitlement funds for the non-federal share, the total amount of state funds allocated to a project cannot exceed 60 percent of the non-federal share.

When an airport sponsor or project is not eligible for federal funds or federal funds are not available, state entitlement funds may be used for state funded projects. For most state funded projects, state entitlement funds may be used for a maximum of 80 percent of eligible project costs. Local funds must be used for the remaining costs. A summary of state participation rates by general project categories is provided in Appendix F State Participation Rates.

### **6.2.2 State Discretionary Funds**

For a federally funded project where state discretionary funds will be used, the state participates at the rate of 60 percent of the non-federal share of eligible project costs. The federal share of these projects is 95 percent, so the state share is 3 percent and the local share is 2 percent.

When an airport sponsor or project is not eligible for federal funds or federal funds are not available, the VAB may allocate state discretionary funds to eligible projects. The participation rate varies depending on the type of project. For most state funded projects, the state participation is 80 percent of the eligible project costs. A summary of state participation rates by general project categories is provided in Appendix F State Participation Rates.

### 6.2.3 Multiple Funding Sources

In the event available federal money is not sufficient to meet a sponsor's needs and other sources are available, such as VDOT or the Department of Homeland Security, the sponsor should seek the use of funds from those sources before applying for state aviation funding.

**6.2.3.1 Insufficient FAA Funding** When there are insufficient federal funds to complete programming of a federally funded project and the airport sponsor desires to use additional state discretionary or entitlement funds to finance the project, the project as a whole shall be separated into two grants. One grant will use the federal funding ratio of 95 percent federal and 5 percent non-federal, and the other grant will use the state funding ratio based on the type of project.

**6.2.3.2 Application of Other Funding Sources** Sponsors should maximize all other funding sources before applying for state funding. When there are multiple sources of funding available to finance a project, they will be applied in the following order:

- federal agencies, such as the Department of Homeland Security
- FAA
- state agencies and entities, such as VDOT and the Tobacco Commission
- DOAV
- airport sponsors

Sponsors seeking funding for access roads should maximize VDOT funds to the greatest extent possible prior to applying for federal and state aviation funding. VDOT funds are considered a state funding source and cannot be used as the local share of a project. The department will work with the sponsor to determine the overall funding levels for these projects.

## 6.3 Application Process

Sponsors will file six-year Airport Capital Improvement Plans (ACIPs) and submit project requests for funding through Airport IQ. Updated reference information pertaining to the preparation of ACIPs and project request submissions for an upcoming fiscal year will be provided to airport sponsors in the third quarter of each fiscal year. The information will also be posted on DOAV's website.

### 6.3.1 Filing of Airport Capital Improvement Plans

Sponsors are responsible for filing and maintaining their ACIPs in Airport IQ. Each project entry in an ACIP must include the fiscal year in which the project is to be undertaken and the estimated project costs. Projects that will not involve state funding, such as a revenue producing building funded with federal and local money or only with local money, may be included to provide a more complete description of capital improvement activity at an airport. Sponsors are urged to run an Airport IQ report of their ACIP entries for their records.

Sponsors will need to maintain their six-year ACIP by adding projects and estimated project costs for a sixth fiscal year at the end of each current fiscal year. If a sponsor does not have projects identified for outlying fiscal years, such as the fifth and sixth years of the six-year cycle, the sponsor does not need to enter anything into Airport IQ for those years. Revisions to ACIPs can be made at any time. A copy of an airport's ACIP and any revisions should be provided to the FAA Washington Airports District Office.

### 6.3.2 Preparation of Project Scopes

Prior to submitting project requests, sponsors are encouraged to hold scoping meetings for all projects to identify precise work tasks and estimated costs. Participants in the scoping meetings can include representatives from FAA, DOAV, the sponsor, a consultant team, and local government offices.

For state funded projects, sponsors need to insure that scopes of work and related documents are approved by DOAV prior to the project request submission deadline.

- For state funded planning studies, environmental studies, and engineering designs, a sponsor shall provide a scope of work, including fee estimates and man-hours by task.
- For state funded construction projects, a sponsor shall provide bids and construction management fee estimates and man-hours by task.

Actual proposals must be presented when the scopes are submitted to DOAV for review and approval, including costs and man-hours for subconsultants. Should the prime consultant or subconsultant costs and man-hours justifiably change after funding has been approved by the VAB, sponsors can request an increase as described 6.6.1 Grant Amendments and Change Orders.

For federally funded projects, the sponsor must provide DOAV with a copy of the scope of work as described above for planning studies, environmental studies, and engineering designs.

### 6.3.3 Submission of Project Requests

When a sponsor is ready for a project to be presented to the VAB for consideration, the project needs to be submitted for evaluation through Airport IQ. The submission process involves revising the ACIP project entry as needed and providing the required supporting documentation.

Sponsors may submit project requests for consideration at regularly scheduled meetings of the VAB at any time during the fiscal year, except for the 72-hour period after the due dates for Airport Capital Program submissions. The submissions must be completed by midnight of the due date. A schedule of submission due dates and the dates of the VAB meetings is provided to sponsors as part of the resource information distributed in the third quarter of each fiscal year and is posted on DOAV's website.

With the exception of emergency requests and missed opportunities as described in Section 6.7 Special Requests for Airport Capital Program Funding, project requests received after a submission deadline will not be considered for funding at the upcoming VAB meeting. The sponsor will need to submit the project request for a subsequent meeting.

Each project request entry must include the fiscal year in which the project is to be undertaken and the estimated project cost, listed by federal, state, and local funding sources as appropriate. Cost estimates should be as accurate as possible so a sponsor does not have to seek additional funding from the VAB at a later date or that the VAB does not obligate more funds than those needed to complete a project. The cost estimate should include a sponsor's administrative costs.

The following supporting documentation must be submitted with the project request:

- a project narrative that provides the justification for the project and information on the work required to implement the project
- a sketch that graphically depicts the proposed project as it relates to the airport layout plan
- documentation of environmental coordination and findings

The narrative must provide the justification for the project and information on the work required to implement the project. Sponsors are strongly urged to provide focused and factual information in the narrative so the review process can proceed in a timely manner and priority scoring can be as accurate as possible. A sponsor's administrative costs should be noted in a narrative. Sketches must be sized to 8 ½ by 11 inches. One narrative document and one sketch may be used for all project requests being submitted for a VAB meeting. Large environmental documents, such as a Form C or Environmental Assessment, should be referenced in the narrative instead of submitted with the project request.

A certification of an airport's obstruction status is required for all project requests. The narrative should identify the source of the certification, as discussed in 5.1 Obstructions. If this source is not on file with DOAV, the source must be submitted with the supporting documentation.

The supporting documents must be submitted through Airport IQ. The documents may be in Word, Excel, or PDF formats.

After a project request has been submitted, the only changes DOAV will accept are a project cost change, either an increase or decrease, or a change to a scope for a project that has previously received a tentative allocation. A sponsor needs to notify DOAV in writing of a project cost decrease as soon as it is known so the cost difference can be available for other projects. If a sponsor identifies an error after the project has been submitted, the sponsor needs to provide DOAV with a written notification of the error. DOAV will make the appropriate changes and corrections to the project request. If a sponsor wants or needs to withdraw a project request after it



has been submitted to DOAV for evaluation, the sponsor must provide DOAV with a written withdrawal request, submitted by mail or email.

Projects included in ACIPs that will not involve state funding, such as a revenue producing building funded with federal and local money or only with local money, should not be submitted for consideration.

#### 6.3.4 Air Carrier Application for State Discretionary Funds

If an air carrier airport sponsor believes it may need state discretionary funds during a fiscal year, the sponsor should file an ACIP through Airport IQ. When it is determined that state discretionary dollars are needed to fund projects for that fiscal year, the sponsor needs to submit all project requests for the fiscal year. The appropriate supporting documentation for all project requests must also be submitted. The submissions need to be made in accordance with 6.3.3 Submission of Project Requests. In addition, scopes need to be provided as described in 6.3.2 Preparation of Project Scopes.

### 6.4 Evaluation and Selection Process

DOAV carefully reviews each project request and prioritizes projects as part of the evaluation process. Recommendations are made to the VAB for action.

#### 6.4.1 DOAV Review

DOAV will review each submitted project request upon receipt for initial eligibility and will contact the sponsor if required supporting documentation is missing. A sponsor's failure to provide any of the required supporting documentation so requested by DOAV within 5 business days of notification will result in a departmental recommendation to disapprove a project request.

DOAV will then review the submitted project requests to ensure they meet the intent of the *Virginia Aviation Regulations* and VAB policies. This review includes determining if sponsor and project eligibility requirements are satisfied. DOAV uses the checklist in Table 3 DOAV Project Review Checklist as a guide for its review. Sponsors should use the checklist as a review tool when preparing project requests and supporting documentation.

Any additional supporting documentation requested by the department as part of this review process shall be provided within five business days of the request. A sponsor's failure to provide the additional supporting documentation within five business days of the department's request will result in a departmental recommendation to disapprove a project request.

Table 3  
DOAV Project Review Checklist

- Is the project shown on the approved ALP, and does it conform to the approved ALP?
- Is environmental coordination required, and if so, has a finding been received?
- Is a determination of coastal zone consistency required, and if so, has the finding been received?
- Is the sponsor eligible for this project, based on the airport's service role?
- Has DOAV approved the scope of work or bids for a state funded project?
- Has the cost estimate been verified?
- Do surfaces meet applicable obstruction standards?
- Does the airport meet minimum standards for licensing?
- What is the rating on pavement condition index, if applicable?

#### 6.4.2 Project Priority Scoring

The next evaluation step utilizes a project priority system that was developed by DOAV and airport sponsors and adopted by the VAB. The intent of the system is to objectively prioritize statewide needs so financial resources can be allocated to the highest priority projects. With this system, each project request is scored on:

- a project's merit, such as safety and capacity
- an airport's activity and role within the state system
- a sponsor's responsibility for maintenance and protection of the airport

The current scoring criteria and priority points are shown in Appendix D Project Priority System Scoring Values. Discretionary points are awarded to projects for which the local funding participation exceeding minimum requirement. One point is assigned for each percent that exceeds the minimum requirement.

When an air carrier airport sponsor wants to use state discretionary funds in addition to state entitlement funds, the project priority system is applied to all the project requests submitted as described in 6.3.4 Air Carrier Application for State Discretionary Funds, resulting in a prioritized list of projects. All of the sponsor's state entitlement funds will be allocated to the highest priority project requests on the list. State discretionary funds will then be allocated to the remaining project requests. Funding amounts will be adjusted in accordance with 3.1.1.3.1 Entitlement Only Projects and 3.1.1.3.2 Projects Outside of Normal Expenditures. All of the project requests will be presented to the VAB for consideration.

#### 6.4.3 Recommendations and VAB Action

DOAV uses the scoring from the project priority system and its individual project request evaluations to make recommendations to the VAB. DOAV is required to provide the recommendations to members of the VAB at least 10 business days prior to regular VAB meetings. These recommendations are posted on the department's website for VAB member and sponsor review.



DOAV recommendations are formally presented to the VAB at its regular meetings. VAB approval of a project request constitutes the issuance of a tentative allocation of funds, contingent on the sponsor certifying that local funds are available to support the cost of the proposed project. The VAB may disapprove project requests due to the lack of available state funding, incomplete technical elements of the project request, or unmet eligibility criteria. All disapproved project requests will be returned to sponsors through Airport IQ. For project requests disapproved due to incomplete technical elements of the request or unmet eligibility criteria, the sponsor should work with DOAV to resolve outstanding issues prior to submitting the revised project requests and supporting documentation for a subsequent VAB meeting. For disapprovals based on funding limitations, sponsors should resubmit the project requests and supporting documentation for the next scheduled VAB meeting. The project request and supporting documentation should be revised as needed.

## **6.5 Agreement Process**

The agreement process begins with notifications to sponsors of tentative allocations. These in turn lead to a sponsor's submission of a grant application and DOAV's offering of a grant agreement.

### **6.5.1 Tentative Allocations**

After each VAB meeting, DOAV sends a notification memorandum to airport sponsors listing which projects were approved and disapproved. The notification directs sponsors to submit grant applications for approved state funded projects to DOAV within 60 calendar days of the notice of approval and reminds them that outstanding tentative allocations for state funded projects may be withdrawn by the VAB. The notification also reminds sponsors that no state reimbursements will be made until a grant has been executed for a project.

If a sponsor finds that the amount of the tentative allocation is not sufficient to produce a useable deliverable from the project's scope of work, the sponsor should contact the assigned DOAV planner or engineer immediately. If a project's cost increases after the VAB has awarded a tentative allocation and before a grant agreement is executed, a sponsor may request an increase in the allocation. DOAV will review the justification for the cost change and may increase the tentative allocation by up to 10 percent, contingent on the availability of state funds. Requests for tentative allocation increases exceeding 10 percent must be presented to the VAB for action at a regularly scheduled meeting. The request must be submitted through Airport IQ as a project request for the amount of the increase only. The appropriate supporting documentation must also be submitted. A sponsor may receive an increase on a state funded project from either DOAV or the VAB; a sponsor may not receive an increase from both entities for the same tentative allocation.

Before each VAB meeting, DOAV reviews the status of existing tentative allocations. If the DOAV review determines that no activity on the state project application process has taken place within 60 calendar days of the issuance of the tentative allocation, the department will request that the sponsor return the tentative allocation

or recommend to the VAB at the meeting following the issuance of the tentative allocation that the tentative allocation be withdrawn so the funds can be allocated to another project. The recommendations are given to the VAB before each meeting for action during that meeting. DOAV will notify affected sponsors of its recommendations prior to a VAB meeting. Sponsors should take the necessary actions to execute grant agreements so the funds will not be withdrawn.

If an airport sponsor determines that it cannot act on an existing tentative allocation, the sponsor must notify the department as soon as possible so the funds can be returned to the Commonwealth Airport Fund for allocation to eligible projects.

#### 6.5.2 Grant Applications

A sponsor should submit a grant application for a state funded project to DOAV within 60 calendar days of the written notification of a tentative allocation. The application should provide a description of the project, a summary of funding sources with amounts, a summary of project costs, and a completion date for the project. The application form must be signed and dated.

#### 6.5.3 Grant Agreements

Upon receipt of a properly completed grant application, DOAV will prepare a grant agreement for the project. The purpose of a grant agreement, that when executed becomes a contract between the sponsor and the Commonwealth of Virginia, is:

- to meet the requirements of *Virginia Aviation Regulations* 24 VAC 5-20-330
- to ensure that all parties are aware of their respective responsibilities
- to ensure that grant funds are properly controlled and returned if not required to complete a project

Grant agreements will be offered after DOAV has approved contracts for services and actual costs have been determined. This process is used to prevent wide discrepancies in project cost between grant agreement execution and project implementation.

Each grant agreement contains an offer and acceptance. The offer identifies the airport, the sponsor, the project, and the state share of eligible project costs. The majority of the offer states the terms and conditions for the grant, which include state grant amounts, federal grant amounts if applicable, expiration dates for the offer and the agreement, and sponsor responsibilities during and after the implementation of the project.

Key elements in the offer are the assurances, which are statements of sponsor obligations that become effective when an agreement is executed. All grants contain certain administrative assurances, such as obtaining goods and services in accordance with the *Virginia Public Procurement Act*. Other assurances will differ depending on the type of project and sources of funding. For example, a terminal building construction grant agreement will identify the public-use, non-revenue producing areas paid for with Commonwealth Airport Funds, and the assurance guarantees that these areas shall be open to the public during normal business

hours. As another example, when land acquired with state funds is no longer required for aeronautical purposes, disposal of the property is allowed, and the assurance provides for the disposition of the proceeds of the sale and the covenants that must be attached to the sale. The VAB and DOAV reserve the right to establish additional assurances based upon specific project requirements, changes in regulatory guidance, or changes in eligible projects.

When a sponsor accepts the offer and agrees to all the terms and conditions contained in the grant agreement, the sponsor must sign and date the acceptance portion of the grant agreement. The sponsor's attorney is required to complete the certification within the acceptance portion of the grant agreement. A grant agreement becomes effective upon full execution of the acceptance portion of the grant agreement.

## 6.6 Project Implementation

After a grant agreement has been executed, work on a project may begin. **All supplemental agreements and change orders must be approved by the department prior to the subject work being initiated.**

### 6.6.1 Grant Amendments and Change Orders

At any time during the course of a project, the grant agreement between the sponsor and the Commonwealth of Virginia may be amended for justifiable cause, such as a change in the grant amount, a change in the scope of work, or an extension of the expiration date. When a sponsor becomes aware of conditions that will necessitate a change, the sponsor should immediately submit to DOAV a written request for a grant amendment. The written request must include the following information:

- grant number and project name
- current expiration date if time extension is part of the request
- reason for the request including an explanation of why the project will not be finished by the grant expiration date or with the allocated funds
- plan of action and revised project schedule for completion of the project

DOAV can approve an administrative cost increase up to 10 percent of the total grant amount, except in the case of multi-year funding. If a requested funding increase exceeds 10 percent or modifications to the original scope of work for a state funded project are needed, the request must be presented to the VAB for action at a regularly scheduled meeting as described in 6.5.1 Tentative Allocations. A sponsor may receive an increase from either DOAV or the VAB; a sponsor may not receive an increase from both entities for the same grant. All increases are contingent on the availability of funds.

The VAB has given DOAV the authority to approve changes in the original scope of work for a federally funded project as long as the grant amount does not change.

A change order will be addressed by DOAV at the time the change order is requested. Increases or decreases to a grant will not be addressed until project completion, and increases are subject to the availability of funds.

#### 6.6.2 Reimbursement

A sponsor may request reimbursement for partial payments based on the percentage of work completed or actual costs incurred. The department requires that partial reimbursement requests for less than \$1,000 not be made for capital projects. Final or one time reimbursement requests do not have a minimum dollar amount limit. The requests must be made using DOAV's *Request for State Fund Reimbursement Form*. The form must bear the sponsor's original signature and date to certify acceptance of the costs from consultants and contractors. The form must be submitted with the required supporting documentation, such as a consultant or contractor invoice.

DOAV will review the reimbursement form and supporting documentation. If the submittal is acceptable, payment will be approved. If the submittal is not acceptable or complete, DOAV will contact the sponsor by telephone or email to discuss errors or omissions. If the sponsor cannot be contacted within five business days, the reimbursement package will be returned with a written notification that explains any discrepancy. DOAV will withhold or reduce any reimbursement payment until discrepancies are resolved.

**Work completed prior to the execution of a grant agreement will not be eligible for reimbursement, with the following exceptions for which the department may provide reimbursement:**

- acquisition of land necessary for approved airport development where the land is acquired in accordance with state and federal requirements and the services for such acquisition
- engineering design that had been approved for a project
- approved preliminary engineering work required to develop a final scope of work for a planning or engineering project, such as surveys, geotechnical work, solicitation of proposals, fee negotiation costs, and DBE related costs as part of federally funded projects

DOAV will not reimburse a sponsor for more than 90 percent of a grant amount until it notifies the sponsor of receipt of acceptable deliverables or final acceptance of construction. Requests for reimbursements exceeding 90 percent of the grant should not be submitted to DOAV if the approval on project completion has not been given by DOAV. Such requests will be returned to the sponsor for correction and resubmission, thereby delaying the sponsor's receipt of the funds. After the receipt of acceptable deliverables or final acceptance of construction, DOAV will accept a reimbursement request for the remainder of a project's cost.

Additional guidance on reimbursement payments includes:

- For federally funded construction projects, contractual work to be accomplished up to 30 days in advance may be included in a reimbursement request. This may include costs for construction materials bonded and delivered to a job site.
- For land acquisition, reimbursement for 90 percent of the grant amount will be made to the sponsor prior to closing. The balance will be reimbursed, upon request, after deeds are recorded and certificates of title have been provided to DOAV.
- For projects at air carrier airports for which both state entitlement and discretionary funding have been approved, sponsors must spend all of their state entitlement funds before they may submit a reimbursement request for the state discretionary funds.
- For federally funded projects, the final state request for reimbursement will be processed upon verification of the final FAA approved project cost.

### 6.6.3 Project Close-out

A close-out letter will be sent to the sponsor confirming that the project is complete and all payments have been made, unless an audit will be performed as described below. Final inspections will be required prior to project close-out for construction projects.

An audit may be conducted on a project. If an audit is conducted, the sponsor will receive written notification of the outcome and any adjustments that need to be made. For federally funded projects, DOAV accepts the audit conducted by the federal Office of the Inspector General. After an audit, a closeout letter will be sent to the sponsor.

## 6.7 Special Requests for Airport Capital Program Funding

An airport sponsor can make a special request for state financial assistance after the submission due date or for complex projects that will take several years to complete. The VAB and DOAV have adopted the following procedures to accommodate these special requests.

### 6.7.1 Emergency Request

An emergency is defined as an occurrence or event that threatens or may threaten life or property. Upon receipt of an emergency request from a sponsor, DOAV's director has the authority to declare that an emergency exists and will notify the VAB chair and the member who represents the sponsor. From this notification, the director shall initiate, per *Code of Virginia* §2.2-3708(F), an electronic meeting of the VAB, that should include the chair and the representative VAB member, during which, if at all possible, a tentative allocation can be awarded. In the event that the emergency is dire, and so documented in the meeting minutes, and a quorum cannot be obtained, any two VAB members may authorize the director to issue a tentative



allocation with a requirement that the tentative allocation be placed on the agenda of the next regularly scheduled VAB meeting so the tentative allocation can be noted formally as awarded by the VAB. A project request with appropriate supporting documentation will need to be submitted through Airport IQ for presentation at the following VAB meeting. Scopes and bids as appropriate must also be submitted.

#### 6.7.2 Missed Opportunity

An airport sponsor may not be aware of a need to request financial assistance until after the submittal due date. The situation generating the need may result in a missed opportunity, such as attracting an industry or enhancing air service; the need is not an emergency. The sponsor must provide to DOAV a written explanation of the cause of the missed opportunity. Upon receipt of a missed opportunity request by a sponsor, DOAV will contact the VAB chair and member who represents the sponsor. They will determine if the project request justifies consideration by the VAB at its next regularly scheduled meeting. The sponsor will be notified of this decision. If the decision is to let the project be considered by the VAB, a project request with supporting documentation must be submitted immediately through Airport IQ for DOAV review and presentation to the VAB. In addition, for state funded projects, a scope of work or bids need to be submitted for approval.

**It must be noted that the late submittal of a project request from a sponsor does not constitute a missed opportunity. Late submittals will not be considered for funding at the upcoming VAB meeting.**

#### 6.7.3 Multi-Year Funding

In order to provide financial assistance for projects that are of such a magnitude that they would exceed maximum allowable annual funds, VAB policy allows for multi-year programming of state entitlement and discretionary funds. Multi-year allocations are based on estimated revenues and allocations to the Commonwealth Airport Fund. If revenues do not meet estimates or if future year estimates are revised downward, a multi-year allocation may be adjusted. The funding limit for a single airport sponsor as a percentage of a fiscal year as described in 6.2 State Participation is still applicable when a multi-year project is involved.

When state discretionary funds are requested for multi-year funding, the project request will need to be made through Airport IQ, using the first year of funding as the estimated project cost. The narrative for the project request needs to include the funding strategy for the life of the project. Upon approval by the VAB, a tentative allocation will be issued that specifies the years for which funding is approved and the amount approved for each year. The sponsor will need to submit a grant application for the first year of the project that includes actual costs. DOAV will issue a grant agreement for only the first year of the project. A project evaluation will be conducted each year of the multi-year time period. In the evaluations, the scope of work will be reviewed and compared with actual work accomplishments, cost information will be updated, and available funding will be determined. The grant agreement will be amended for subsequent year allocations upon sponsor request, and the amendments will be based on the annual project evaluations.



#### 6.7.4 Bridge Loan

Because federal and state funding cycles do not coincide, sponsors may request the VAB to fund a project in anticipation of federal reimbursement in a subsequent federal fiscal year. In these cases, the VAB may fund the project at the appropriate ratio based on the scope of work, and DOAV will include in the grant agreement an assurance specifying reimbursement to the Commonwealth of Virginia. Typically, these projects are for federally eligible projects that are reimbursable after the fact, such as land acquisition. This type of project is referred to as a bridge loan.

Within 60 calendar days of the receipt of the state grant offer for the bridge loan, the sponsor must submit a request to FAA to update its Airport Improvement Program to include the project. Within 60 calendar days of the receipt of reimbursement from FAA, the sponsor must reimburse the department the difference between the state's share of the eligible costs of the state funded project and the state's share of the eligible costs of the federally funded project. For example, the state's share of a state funded land acquisition bridge loan project with eligible costs of \$100,000 is 80 percent or \$80,000. The state's share of the federally funded land acquisition project with eligible costs of \$100,000 is 3 percent or \$3,000. The difference between 80 percent and 3 percent is 77 percent; therefore, within 60 calendar days of the receipt of the reimbursement from FAA, the sponsor would have to reimburse the state for 77 percent of eligible project costs or \$77,000.

The sponsor must fully reimburse the department within 48 months from the date of the grant offer or request an extension of the payment period from the VAB. Failure to do so will find the sponsor non-compliant with grant assurances and may affect future funding.

#### 6.7.5 Facilities and Equipment, Security, and Maintenance Project Requests

When funds are not available under the Facilities and Equipment Program, the Voluntary Security Program, or the Maintenance Program or a sponsor has reached its \$100,000 fiscal year limit for maintenance allocations per airport, a sponsor may submit project requests under the Airport Capital Program for consideration by the Virginia Aviation Board. The projects must meet the eligibility requirements of the appropriate program, and the required supporting documents for the Airport Capital Program must be provided as part of the project request submission.

In such a case for a Part 139 airport, if the Virginia Aviation Board specifically approves the use of state entitlement funds for proposed facilities and equipment or maintenance projects, a sponsor will not be subject to the fiscal year approval restriction and reimbursement requirement described in 3.1.1.3 Air Carrier Utilization of State Entitlement and Discretionary Funds.